

FORM 51-102F3
Material Change Report

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF
NATIONAL INSTRUMENT NO. 51-102**

Item 1. **Reporting Issuer**

Star Diamond Corp. (the “Company”)
700, 224 4th Av. S.
Saskatoon, Saskatchewan
S7K 5M5

Item 2. **Date of Material Change**

A material change took place on February 18, 2025.

Item 3. **Press Release**

On February 18, 2025, a news release in respect of the material change was disseminated.

Item 4. **Summary of Material Change**

The Company announced that it had completed the first tranche of its previously announced private placement financing (the “Offering”) for gross proceeds of C\$335,000.

Item 5. **Full Description of Material Change**

The material change is described in the press release attached hereto as Schedule "A", which press release is incorporated by reference herein.

Pursuant to the Offering, the Company announced that it has closed the first tranche of the Offering for gross proceeds of C\$335,000. Pursuant to the closing of the first tranche of the Offering, the Company issued convertible debentures ("Debtentures") in the aggregate principal amount of \$335,000, together with an aggregate of 16,750,000 share purchase warrants ("Warrants"). Each Warrant will entitle the holder thereof to acquire one additional common share of the Company at an exercise price of C\$0.06 for a period of 24 months from the date of issuance.

Pursuant to the Offering, Ewan Mason subscribed for Debtentures in the aggregate principal amount of C\$25,000, together with an aggregate of 1,250,000 Warrants. Mr. Mason is an insider of the Company. As of February 18, 2025 immediately prior to the closing of the Offering, Mr. Mason held an aggregate of 1,153,000 common shares of the Company (“Shares”) and convertible securities entitling Mr. Mason to acquire an additional 5,540,750 Shares, representing less than 1% of the issued and outstanding Shares (and approximately 1% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Offering, Mr. Mason holds an aggregate of 1,153,000 Shares and convertible securities entitling Mr. Mason to acquire an additional 6,790,750 Shares in

addition to the Debentures in the aggregate principal amount of \$335,000, representing less than 1% of the issued and outstanding Shares (and approximately 1.2% on a partially diluted basis assuming exercise of such convertible securities only and exclusive of the conversion of the Debentures (which do not prescribe a set conversion price)).

The Offering was approved by the board of directors pursuant to directors' resolutions dated February 14, 2025. The transaction is exempt from the formal valuation and minority shareholder approval requirements of applicable securities laws as at the time the financing was agreed to, neither the fair market value of the subject matter of, or the fair market value of the consideration for, the Offering insofar as it involves interested parties, exceeded 25% of the Company's market capitalization. The Offering was completed to raise proceeds for exploration of the Company's mineral properties and for general corporate purposes. A material change report is being filed in connection with the insider participation in the Offering less than 21 days in advance of closing of the second tranche of the Offering, as the Company did not have prior confirmation of such participation. The Offering remains subject to final regulatory approval.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

Richard Johnson

Item 9. Date of Report

DATED at Saskatoon, in the Province of Saskatchewan, this 18th day of February, 2025.

SCHEDULE "A"

STAR DIAMOND CORPORATION CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

NEWS PROVIDED BY
Star Diamond Corporation →
Feb 18, 2025, 18:37 ET

/NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRES/

TSX: DIAM

SASKATOON, SK, Feb. 18, 2025 /CNW/ - **Star Diamond Corporation** (TSX: **DIAM**) ("Star Diamond" or the "Company") announces that it has closed the first tranche of the previously announced non-brokered private placement (the "Offering") of convertible debentures (the "Debentures") to raise aggregate gross proceeds of C\$335,000. The Debentures bear simple interest at a rate of 8% per annum and are convertible into common shares of the Company in certain circumstances, including upon a qualified offering to raise aggregate gross proceeds in excess of C\$2 million.

The Company intends to close the final tranche of the Offering on or about February 28, 2025, for Debentures in the aggregate principal amount of up to an additional C\$165,000.

Pursuant to the closing of the first tranche of the Offering, the Company also issued an aggregate of 16,750,000 share purchase warrants ("Warrants"), being one Warrant for each C\$0.02 principal amount of Debentures purchased. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of C\$0.06 for a period of 2 years from the closing.

The net proceeds raised from the sale of the Debentures and the exercise of any Warrants will be used for general working capital purposes as the Company continues discussions with possible investors to fund a pre-feasibility study for the further development of the Fort à la Corne kimberlites.

The Offering is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the final approval of the Toronto Stock Exchange. All securities issued and issuable pursuant to the first tranche of the Offering are subject to a statutory hold period expiring June 19, 2025.

Related Party Transaction

In connection with the Offering, Mr. Ewan Mason, the CEO of the Company, has purchased Debentures in the aggregate principal amount of C\$25,000. Insiders' participation in the Offering constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on an exemption from the formal valuation and minority shareholder requirements of MI 61-101 on the basis that the fair market value of the insider's participation in the Offering does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The Company advises that if you are an existing shareholder or other subscriber interested in participating in the second tranche of the Offering at a minimum subscription amount of \$10,000, please contact Star Diamond Corporation by email at stardiamondcorp@stardiamondcorp.com to discuss exemptions available for you under existing securities law.

The offer and sale of the securities offered in the Offering has not been and will not be registered under the US Securities Act of 1933, as amended, or any state securities laws, and such securities may not be offered or sold in the United States absent registration or applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or in any jurisdiction in which the offer, sale or solicitation would be unlawful.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States unless an exemption from such registration is available.

About Star Diamond Corporation

Star Diamond is a Canadian-based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Star Diamond trade on the Toronto Stock Exchange under the trading symbol "DIAM". Star Diamond's most significant asset is its interest in the Fort à la Corne property in central Saskatchewan. These kimberlites are located in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

Website: **www.stardiamondcorp.com**

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This press release contains "forward-looking statements" and/or "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements. The use of any of the words "anticipate", "plan", "aim", "target", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "possible", "capable" and similar expressions are intended to identify "forward-looking statements. Forward-looking statements in this press release include, but are not limited to, expectations regarding the completion of the second tranche of the Offering, receipt of all regulatory approvals and the prospective nature of the Company's property interests.

These forward-looking statements are based on Star Diamond's current beliefs as well as assumptions made by and information currently available to it and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be

achieved due to a number of factors including, but not limited to, the receipt of applicable regulatory approvals, availability of financing, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings and the additional risks described in Star Diamond's most recently filed Annual Information Form, and annual and interim MD&A.

Although management of Star Diamond considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to Star Diamond, those assumptions may prove to be incorrect. When making decisions with respect to Star Diamond, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events.

Star Diamond does not undertake any obligation to release publicly revisions to any forward-looking statement to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at investors' own risk.

SOURCE Star Diamond Corporation

For further information, please contact: Phone: (306) 664-2202, Email: stardiamondcorp@stardiamondcorp.com